

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF)	
TIDEWATER UTILITIES, INC., FOR A)	PSC DOCKET NO. 04-152
GENERAL INCREASE IN WATER RATES)	
(FILED APRIL 26, 2004))	

ORDER NO. 6425

AND NOW, to-wit, this 8th day of June, 2004;

WHEREAS, Tidewater Utilities, Inc. ("the Company"), having, on May 21, 2004, filed with the Commission revised rate tariff sheets designed to increase its water service rates by 15% or approximately \$1,090,000 annually; and

WHEREAS, the Commission, in PSC Order No. 6410, dated May 4, 2004, having reviewed the application for increased rates, and having determined that such proposed rate and tariff changes should, pursuant to the authority granted to the Commission by 26 Del. C. § 306(a)(1), be suspended pending full and complete evidentiary hearings into the justness and reasonableness of the proposed new rates and tariff alterations; and

WHEREAS, the Company having, on May 21, 2004, filed with the Commission a proposed refund bond with surety in the amount of Nine Hundred Thousand Dollars (\$900,000) and revised tariff leaves carrying an effective date of June 25, 2004, establishing rates as permitted by 26 Del. C. § 306(c) to enable the Company to collect under bond, and subject to refund, a revenue increase which does not exceed the lesser of 15% of the public utility's annual gross intrastate operating revenues or \$2,500,000, whichever is less; and

WHEREAS, the Commission having reviewed the petition of Tidewater Utilities, Inc., to put rates into effect under bond and the supporting information demonstrating that the proposed increase is within the limitations established by 26 Del. C. § 306(c) and otherwise complies therewith for the collection of rates under bond;

Now, therefore, **IT IS ORDERED**:

1. That the Commission finds, pursuant to 26 Del. C. § 306(c), that Tidewater Utilities, Inc., has the statutory right, on and after the expiration of sixty (60) days from the filing of its rate increase application, to place into effect temporary rates, subject to refund, so long as such temporary rates do not exceed the lesser of fifteen percent (15%) of the Company's annual gross intrastate operating revenues or Two and a Half Million Dollars (\$2,500,000), and provided that the Commission approves as reasonable the amount of the bond and the surety thereon.

2. That the Commission hereby approves as reasonable the hereto attached duly executed rate refunding bond (Exhibit "A") in the principal amount of Nine Hundred Thousand Dollars (\$900,000).

3. That the proposed temporary rates set forth above in the tariff filed by Tidewater Utilities, Inc., on May 21, 2004, are reasonably designed to produce, on an annual basis, less than Two and a Half Million Dollars (\$2,500,000) and less than fifteen percent (15%) of the gross annual intrastate operating revenues of Tidewater Utilities, Inc., and may, therefore, be placed into effect on June 25, 2004, under 26 Del. C. § 306(c), subject to any refund as the Commission may hereafter Order.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joshua M. Twilley
Vice Chair

/s/ Joann T. Conaway
Commissioner

/s/ Donald J. Puglisi
Commissioner

/s/ Jaymes B. Lester
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary